

A-6 Glossary

ACCOUNT – A fiscal and accounting entity with a self-balancing set of general ledger codes in which cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, are recorded and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

ACTIVITY – An activity is something an organization does to accomplish its goals and objectives. An activity consumes resources and produces a product, service or result. One way to define activities is to consider how agency employees describe their jobs to their families and friends. On behalf of the state's citizens, we basically want to know, "What do you do? For whom? Why is it valuable?" For the Activity Inventory, an agency's work should be broken down into its discrete functions or services. An activity description that requires several compound sentences or lists to accurately convey the work probably needs to be divided into several separate activities.

ALLOCATION – Spending authority assigned to an agency from a lump-sum appropriation, most often used for across-the-board salary increases and the Governor's Emergency Fund.

ALLOTMENT – An agency's 24-month spending plan for both appropriated and nonappropriated funds.

APPROPRIATION – A legal authorization to make expenditures and incur obligations for specific purposes from a specific account over a specific time period. Only the Legislature can make appropriations in Washington State.

BALANCED SCORECARD – A management tool that takes elements from the agency strategic plan and organizes the information in a way that focuses attention on key areas and elements needed for successful strategic management.

BIENNIALIZATION – Converting expenditures that occurred for only part of a biennium into the amount needed for a full biennium of implementation.

BIENNIUM (state) – A 24-month fiscal period extending from July 1 of odd-numbered years to June 30 of the next odd-numbered year.

BOWWAVE – The incremental carry-forward costs of programs partially funded in the current biennium.

BUDGET – A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

BUDGET DEVELOPMENT SYSTEM (BDS) – A web-based application developed as a tool to assist agencies in building all components of the decision package and submitting budget requests on line.

BUDGETED FUNDS – Funds that are subject to the appropriation and/or allotment process.

BUDGET PREPARATION SYSTEM (BPS) – A mainframe computer budget preparation program operated by OFM now largely replaced by the Budget Development System (BDS). BPS1 is the salary projection component of the system and is still used for preparing the Salary, Pension, and Insurance Base reports.

BUSINESS PLAN – A comprehensive plan for all activities of a proprietary fund, including information that allows an understanding of the relationship between the budgeted and unbudgeted elements of the fund. (Refer to the Part 1 Budget Instructions.)

CAPITAL OUTLAYS – Expenditures which result in the acquisition of or addition to fixed assets intended to benefit future periods. In the operating budget, this label typically refers to equipment.

COLLECTIVE BARGAINING – A mutual obligation of the state and of employees' exclusive bargaining representatives to meet and bargain in good faith on wages, hours, and other terms and conditions of employment as defined in Chapter 354, Laws of 2002.

COMPENSATION IMPACT MODEL (CIM) – A financial projection model used by OFM to estimate the effect on state agency budgets of changes in salaries and benefit costs.

DEBT SERVICE FUND – A fund type established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEDICATED ACCOUNTS – Dedicated accounts are used to account for the collection and disbursement of specific revenue sources that are legally restricted to expenditure for specified purposes.

EFFICIENCY MEASURE – A measure that shows the relationship between inputs (dollars or FTEs) to output or outcome.

EXPENDITURES – Expenditures represent disbursements plus accruals for the current period. Encumbrances are not included.

FISCAL YEAR (state) – A 12-month period extending from July 1 in one calendar year to June 30 of the next calendar year.

FULL-TIME EQUIVALENT (FTE) – 2,088 hours of paid staff time per fiscal year.

FUND – A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE – The excess of the assets of an account over its liabilities and reserves. For governmental funds, fund balance represents the excess of beginning balance and estimated revenues for the period over liabilities, reserves, and appropriations for the period.

FUND CODE – A three character alpha/numeric code assigned by the Office of Financial Management to identify each specific accounting entity against which a transaction is to be charged, plus the one character appropriation type code that indicates the source character of the fund involved. The account code and appropriation type code are separated by a hyphen.

GENERAL FUND – A fund established to account for all financial resources except those required to be accounted for in specific dedicated funds.

GENERAL FUND ACCOUNTS – A group of accounts within the state's fund structure. These accounts within the General Fund are a grouping of accounts normally classified as Special Revenue Funds or Capital Projects Funds but which are considered a part of the total General Fund.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) – Uniform minimum standards of, and guidelines for, financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines but also detailed practices and procedures.

GENERAL OBLIGATION BONDS – Bonds for the payment of which the full faith and credit of the issuing government are pledged.

GOALS – Broad, high-level, issue-oriented statements of an organization's desired future direction or desired state.

GOVERNMENTAL FUNDS – A fund classification established to account for those resources that are devoted to financing the general governmental operations of the state. The acquisition, use, and balance of the state's resources and related current liabilities, unless required to be accounted for in proprietary funds or fiduciary funds, are to be accounted for in this classification of funds. Those funds properly classified as governmental funds are the General Fund, Special Revenue funds, Capital Projects funds, and Debt Service funds.

GOVERNOR'S EMERGENCY FUND – An appropriation made available to the Governor for unforeseen expenditure requirements in state agencies.

INFORMATION TECHNOLOGY – Equipment, software, services, and products used in processing information, office automation, and telecommunications (voice, data, and/or video).

INTERNAL SERVICE FUND – A fund type established to account for the financing of goods or services provided by one state agency to other state agencies or to other governmental units on a cost reimbursement basis.

LOCAL FUNDS – Funds under the control of an agency with cash on deposit in a local bank account and requiring the signature of agency officials on a check for disbursement. Some local funds are on deposit with the State Treasurer as a matter of convenience or statutory requirement.

NONBUDGETED FUNDS – Funds that are not subject to either the appropriation or allotment process.

OBJECT – A common grouping of expenditures made on the basis of homogenous activity, goods or services purchased, or type of resource to be used.

OBJECTIVES – Measurable targets that describe specific results a service or program is expected to accomplish within a given time period.

OFFICIAL ALLOTMENT – The Statement of Proposed Expenditures defined in RCW 43.88.110. This means the original allotment plus a limited number of revisions. The initial allotment can only be modified by legislative changes to the appropriation level, reductions ordered by the Governor due to a cash deficit, or approved one-time changes to the second year (B, L, G, and S amendments).

OFM EXPENDITURE AUTHORITY – The official allotment plus amendments for unanticipated receipts and special allocations.

OUTCOME MEASURE – A measure of the result of a service provided. This type of measure indicates the impact on the problem or issue the service or program was designed to achieve.

OUTPUT MEASURE – An indicator of how much work has been completed.

PERFORMANCE BUDGETING – The act of considering and making funding choices based on desired outcomes. Performance budgeting focuses on the results to be gained through investment decisions.

PERFORMANCE MEASURES – Quantitative indicators of how an agency's programs or services are contributing to the attainment of strategic plan elements.

PROGRAM – Any of the major activities of an agency expressed as a primary function.

PROPRIETARY FUND – A fund classification established to account for those activities of the state that are similar to those found in the private sector. These funds are considered self-supporting in that the services rendered by them are financed through user charges or on a cost reimbursement basis. Those funds, which are properly classified as proprietary funds, are enterprise funds and internal service funds.

RECEIPTS – Unless otherwise qualified, cash received during a fiscal year irrespective of when the monies are earned.

REVENUES – Cash receipts and receivables of a governmental unit derived from taxes and other sources.

RESERVED ALLOTMENT STATUS – The portion of expenditure authority not expected to be used because of circumstances such as the Governor's across-the-board allotment reductions, technical corrections, or proviso compliance.

REVOLVING FUND – An account provided to carry out a cycle of operations. The amounts expended from the account are restored to the account by earnings from

operations or by transfers from other accounts, so that the account is always intact, in the form of cash, receivables, inventory, or other assets.

STRATEGIC PLAN – A long-term comprehensive plan that represents an integrated set of decisions and actions designed to ensure that the intended goals and objectives of an agency are met. The plan should answer: Where are we today? Where do we want to be? How do we intend to close the gap between where we are and where we want to be?

STRATEGIES – Statements of the methods for achieving goals.

SUBOBJECT – A refined breakdown of object of expenditures relating to particular items or item categories.

SUBPROGRAM – A general term describing specific activities within an agency program.

TECHNOLOGY PORTFOLIO – The planning and management process for information technology resources adopted by the Information Services Board.

TREASURY FUNDS – Accounts that have cash on deposit in and under the control of the State Treasurer and are disbursed by means of a warrant.

UNALLOTTED ALLOTMENT STATUS – Expenditure authority not specifically scheduled for expenditure, but expected to be allotted at a later time.

UNANTICIPATED RECEIPTS – Revenue received which has not been appropriated by the Legislature. The Governor has the authority to approve the allotment of such funds within the statutory guidelines of RCW 43.79.270.